C.L. Butch Otter, Governor

Paul Kjellander, Commissioner Mack A. Redford, Commissioner Marsha H. Smith, Commissioner

Case No. IPC-E-14-23, Order No. 33124

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www.puc.idaho.gov

Idaho Power proposes agreement with small hydro project near Bliss

BOISE (Sept. 17, 2014) – The Idaho Public Utilities Commission is taking comment through Oct. 2 on an Idaho Power Company application to purchase power from a small hydroelectric project near Bliss.

The proposed 20-year sales agreement is with Black Canyon Bliss, LLC, a 24.8-kilowatt hydroelectric facility projected to be online by Nov. 15. The project owner is David Coats of Rupert.

The project qualifies under the provisions of the Public Utility Regulatory Policies Act of 1978, or PURPA. The act requires that electric utilities offer to buy power produced from qualifying small-power producers. The rate to be paid small-power producers is determined by the commission and is called an "avoided-cost rate" because it is to be equal to the cost the electric utility avoids if it would have had to generate the power itself or purchase it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because 100 percent of the price utilities pay to qualifying small-power producers is included in customer rates.

The agreement proposes non-levelized payments from Idaho Power to Black Canyon that gradually increase throughout the life of the contract. Beginning in 2014, the proposed rate is \$35.10 per megawatt-hour, escalating to \$102.92 per MWh at contract's end in 2033. The payments are adjusted slightly to account for on-peak and off-peak hours.

Comments are accepted via e-mail through Oct. 2, 2014, by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Electric" heading. Fill in the case number (IPC-E-14-23) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The commission's orders, along with other documents related to this case, are available on the commission's Web site. Click on "Open Cases" under the "Electric" heading and scroll down to the above case number.

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